

SUBJECT No. 26.

'Grazing cattle in the State Forests and other reserves.

Mr. K. Ramegowda,
Bowringpet Taluk.

Summary of Discussion.—At present, cattle are allowed to graze in the State Forests and other reserves during the second half of the year, viz., from July to December, whereas the real difficulty for fodder is felt during the first half of the year, that is, from January to end of June. It is therefore prayed that orders may be passed to permit the grazing of cattle in the State Forests and other reserves all the year round, as this practice obtains in the British Indian Provinces, or if this is not possible, the period already allowed may be changed to the first half of the year.

Reply of Government.—Government have since published an official paper indicating the lines on which it is proposed to revise the existing rules as regards grazing facilities and have called for suggestions regarding them. The member may send up his criticisms, when the matter will receive attention.

REVENUE—(Income tax).

(Nos. 27 to 35.)

SUBJECT No. 27.

(a) Assessment of income-tax.

(b) Examination of the Accounts of merchants at Taluk Headquarters for purposes of assessment of income-tax.

Messrs. G. Rajappa, Grain Merchants' Association, Bangalore, and A. Srikantappa, Bangalore District Board.

Mr. G. Rajappa in moving the subject said that Government simply assessed income-tax on the figures furnished by inexperienced persons who calculated the income on the total turn-over of the daily sales. Such a calculation was hard and unjust. Suitable arrangements should therefore be made to assess income-tax on the actual income of the merchants. He added that the merchants had to produce the account books personally for purposes of check and assessment by the District Officers. In most cases, the officers indefinitely postponed the examination of the account books. The merchants were put to expense and trouble in complying with these requirements. The income-tax officers might therefore be instructed to check the accounts at the taluk headquarters when they visited those places for *jama-bandi* inspection, etc.

Mr. Ramachandra Rao Scindhe.—When Mr. Chandy was the Income-tax Commissioner, we represented to him that the Income-tax Regulation was a source of trouble to the public and that the tax was levied from many persons on income not assessable with tax. He was good enough to promise that this would be referred to the Chamber of Commerce and their opinion obtained. I would suggest that orders might be issued to the Collectors of Income-Tax to consult the prominent people of the locality before issuing notices and if the assesses were residents of a Municipality, the opinion of the Municipal Council might be taken before levying the tax.

Messrs. Mallappa, Sanjiviah, Purushothamanandagiri Gosai, Karnick Krishnamurthi Rao and two other members expressed the same opinion and agreed to the proposals made by the previous speaker and suggested that non-official gentlemen should be associated with departmental officers in the work of assessing income.

Second Member of Council.—We have adopted the Madras System. It is only when stock account is not properly kept that assessment is made on the turn-over basis, otherwise, assessment is based on accounts produced. If there is any grievance, an appeal lies to the Commissioner. Association of non-official gentlemen with the

officials for this purpose is not possible and such a practice is not in existence in the whole of the civilised world. Government have recently issued orders to the Commissioner of Income-Tax to take the opinion of the representatives of various lines of trade.

Dewan.—The new order has just issued. The rates of profit for each line of business will be ascertained and obtained in accordance with instructions issued in the matter.

Summary of Discussion.—The Income-tax Regulation has become a source of trouble to the public. As it is not being enforced with due consideration, many persons who least deserve are assessed to income-tax. The Government may therefore be pleased to order the Collectors of Income-tax (a) to consult the prominent people of the locality where the individual lives before issuing notice and (b) if the individual is a resident of a Municipality, to take the opinion of the Municipal Council regarding his status before taxing him.

Note.—Discussed with the previous subject.

Mr. Veerabhadrappe.—Income-tax is levied on income from money lending in villages. The transactions are on a very small scale and the villagers are mostly illiterate. It is not right to expect them to maintain regular accounts in the form required by the Income-tax Collector. Though the villagers give out their real income and produce the documents themselves in support of their statement of income, this is not believed, but tax is levied by the Collectors on the confidential reports received by them. It is necessary that a Committee should be formed in each village to assess income for levy of tax.

Second Member of Council.—This is not possible.

Mr. A. Narasimha Iyengar.—This subject is being brought before the Assembly during the last two years and no action has yet been taken. I request attention to this matter.

Dewan.—This involves a question of principle and is not possible.

Mr. Shroff Padmarajaiya.—Income-tax at the rate of one anna per rupee is levied on the income of the Companies. If the income derived by a shareholder from the Company is shown in his accounts, income-tax is levied at the rate of 3 pies per rupee. When the Company is aware of the recovery of the tax from the shareholder, it will have to submit an application for the refund of the tax recovered from it. This procedure causes much delay and inconvenience. It is therefore prayed that the Government may be graciously pleased to permit the shareholder to deduct the amount recovered from the Company when he pays the income-tax.

B R A

SUBJECT No. 28.

Procedure in assessing the tax under the Income-tax Regulation.

Messrs. H. Krishnasastri, Krishnarajpete Taluk; K. Krishnaswamy Rao, Bar Association, Mysore; Sanganasappa, Chamrajnagar Municipality; and Doraswamy Iyengar, Chamrajnagar Taluk.

SUBJECT No. 29.

Appointment of Committees in villages to advise in deciding cases relating to the levy of income-tax.

Messrs. Sahukar, Veerabhadrappe, Chitaldrug Taluk, and Mahsul Mohamad Hayath Sab, Anjuman-e-Islamia, Molakalmuru.

SUBJECT No. 30.

Exemption from income-tax of State Loans issued prior to the year 1920.

Mr. A. Narasimha Iyengar, Sagar Town Municipality.

SUBJECT No. 31.

Refund of income-tax to Companies.

Mr. Shroff Padmarajaiya, Jain Education Fund Association, Mysore.